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May 29, 2013

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO
AMEND CONTRACT NUMBER PH-001803 WITH CIRCLE OF
FRIENDS OUTPATIENT SERVICES, INC. FOR THE PROVISION OF
DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute an amendment to DMC Agreement Number PH-001803 with Circle of Friends Outpatient Services, Inc. to increase the annual funding by \$110,000, increasing the annual obligation from \$2,000,000 to \$2,110,000, and the total maximum obligation from \$6,000,000 to \$6,220,000, to provide additional Outpatient Drug Free Services for the term of July 1, 2012 through June 30, 2014; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds.

Each Supervisor
May 29, 2013
Page 2

County Counsel has reviewed and approved the amendment as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF:nb
#02685

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors